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SUBJECT: NASSAU MONTHLY - AUGUST 2009

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¶1. (U) This is a monthly report on a variety of topics of interest which do not merit full reporting cables.

-- Cabinet Minister Shuffle Imminent
-- Weak Tourist Industry Results in Wave of Hotel and Resort Closings
-- Unemployment Rates Skyrocket
-- Customs Department Rife With Corruption
-- Police Arrests Taint Embattled Force
-- Illegal Immigration Media Campaign Targets Haitians in The Bahamas
-- Labor Union Scandals Continue to Grab Headlines
-- Turtle Protection Act Passes, Angering Fishermen (See Reftel)
-- Miss Universe Pageant A Success Despite Low Turnout

Cabinet Minister Shuffle Imminent

¶1. (U) A possible Cabinet Minister Shuffle is expected as early reports indicate the Minister of Youth Sports and Culture, Desmond Bannister, and the Minister of State for Lands and Local Government, Byron Woodside, may step down. Media reports indicate that Sidney Collie could replace either Bannister or Woodside. Collie had previously resigned as the Minister of Lands and Local Government in the wake of a local government election scandal. Media reports also indicate the Prime Minister may move the Minister of State for Social Services, Loretta Butler-Turner and Minister of State for Public Utilities, Phenton Neymour. The rumored shuffle was reported as a "traditional half way" shuffle.

Weak Tourist Industry Results
in Wave of Hotel and Resort Closings

¶2. (U) The tourism industry continued to suffer this month as several hotel chains and resorts closed. The Wyndham Nassau resort will close between August and October for refurbishments and hotel upgrades. This period represents a traditionally slow operating period for hotels. The Port Lucaya Resort and Yacht Club on Grand Bahama announced 29 layoffs due to the economic down turn. In addition, the Riu Paradise Island hotel announced it would close for three months, leaving 300 employees out of work. Guest complaints about the quality of the accommodations in addition to dwindling tourism are believed to be responsible for the Riu closure. Further closures are expected in September.

Unemployment Rates Skyrocket

¶3. (U) The Department of Statistics recently released new unemployment figures which are significantly worse than the 2008 unemployment rates. The national unemployment rate is now at 14.2%. The unemployment rate in Grand Bahama is 17.4%. Minister of State for Finance, Zhivargo Laing, referred to unemployment in Grand Bahama as "reflective of what we know to be a very bad situation."

Grand Bahama Chamber of Commerce President Greg Moss said the real unemployment rate is actually much higher because the statistics released do not account for discouraged workers. Because The Bahamas relies so heavily on tourism, the significant number of hotel and resort closures will continue to have a major effect on unemployment rates.

Customs Department Rife With Corruption

¶4. (U) Sixteen Department of Customs officials face allegations of bribery, stealing, falsifying documents, evasion of customs duties and assault dating back to 2001. The 16 officers were suspended from work with full pay and given 14 days to show cause for why they should not be dismissed. Public Services Union President John Pinder accused the GCOB of violating an industrial agreement by failing to follow proper procedures when it decided to transfer and interdict nearly 30 customs officers in the sting. Acting Customs Comptroller Glenn Gomez said rampant corruption existed in the Customs Department. According to Gomez, 50 of the department's 450 officers were under investigation for some sort of suspected corruption.

Police Arrests Taint Embattled Force

¶5. (U) Several high profile arrests of police officers have made headlines in the last month. The officers were charged with various crimes including extortion, assault, sex with minors and drug possession. Post is taking note of all such cases for the purposes

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of Leahy vetting and consular lookouts. These cases come in the midst of a crime wave in which police have been faulted for not adequately protecting the public. Chairman of the Police Association Inspector Bradley Sands pointed to internal management problems for the lack of police focus.

Labor Union Scandals Continue
to Grab Headlines

¶6. (U) A spate of labor related issues made headlines throughout August. A Bahamas Hotel Catering and Allied Workers Union election was nullified by a Supreme Court ruling because it was not supervised by the Registrar of Trade Unions. The issue is currently being heard by the Supreme Court to determine the correct date for holding nominations. Later in the month, an angry mob stormed the Bank of the Bahamas to demand why Union chiefs had been allowed to withdraw \$500,000 from Union funds without the consent of the President. Union President Roy Colebrook said he plans to take legal action. A massive sick out by the Bahamas Nurses Union over a health insurance dispute resulted in the GCOB announcing it would prosecute Doctors who falsified sick notes. According to the Medical Act of 1974, the doctors could face fines, suspension and a loss of license if found guilty.

Illegal Immigration Media Campaign
Targets Haitians in The Bahamas

¶7. (U) Embassy officials conducted a media campaign to address the dangers of illegal immigration in response to a wave of illegal immigrant interdictions and Haitian sloop tragedies. The Embassy issued a press release after the most recent tragedy off the Turks and Caicos Islands which resulted in 15 dead and 67 missing. The press release was picked up by three of the major daily newspapers. Warning posters were translated into Creole and circulated into the Haitian community in The Bahamas. EmbOffs also participated in interviews on several popular radio programs across New Providence and the Family Islands, including Grand Bahama, Great Inagua, and Exuma.

Turtle Protection Act Passes,
Angering Fishermen

¶ 8. (U) The GCOB passed the Turtle Protection Act to ban harvesting and exporting all species of turtles. Those wishing to use turtle products for scientific or educational purposes must now apply for a permit to do so. In response, a meeting was called to address the concerns of fishermen and others opposed to the ban. The meeting will reportedly culminate in the creation of a Commercial Fisherman's Association. The World Conservation Union considers all sea turtles threatened or endangered. By passing the ban, the GCOB is now in compliance with its commitments as a signatory to the Convention on the International Trade of Endangered Species of Wild Fauna and Flora. Minister of Agriculture and Marine Resources Larry Cartwright said he believed the overwhelming majority of Bahamians were in support of the ban.

Miss Universe Pageant A Success
Despite Low Turnout

¶ 9. (U) Despite lower ticket sales than expected, The Bahamas hosted a very successful Miss Universe pageant over several weeks in August. Minister of Tourism Vincent Vanderpool-Wallace said he will soon disclose how much the government spent on the Pageant. Opposition parliamentarians have questioned whether the exposure was worth the cost and whether it was Kerzner International and NBC that benefitted more than the Bahamian people. Tourism insiders estimated that a billion people worldwide watched the pageant. The telecast was interspersed with eight minutes of features on key tourism attractions throughout the Bahamian archipelago. Vanderpool Wallace said the telecast alone represented a full return on investment. The GCOB intends to use the success as a springboard to lobby to host other major events. Senior Ministry of Tourism Officials told PolOff that the government's official tourism website received four to five times the normal number of hits immediately after the pageant.

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